

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

April 5, 2017

President Donald J. Trump
The White House
Washington, DC 20500

Dear Mr. President:

As members of the House Ways and Means Committee, we believe it is imperative that the Internal Revenue Service (IRS) work for the best interest of all taxpayers, and that the taxpayers in turn have confidence in the IRS's ability to fairly administer the tax code. This trust is at the core of our system of voluntary tax compliance. Trust in the IRS is hitting rock-bottom under IRS Commissioner John Koskinen. Not only was key evidence relevant to this Committee's investigation destroyed under his watch, but he also misled Congress in the process, intentionally degraded customer service at the agency, and has since lost the trust of the American people. We believe that trust cannot be fully restored under Commissioner Koskinen's leadership. For this reason, we are writing to request the removal of John Koskinen as Commissioner of the IRS and to request that a new leader be put in place as soon as possible.

In 2011, this Committee began its investigation into the concerns that the IRS was improperly targeting conservative groups who had applied for tax-exempt status. The investigation uncovered that IRS employees had crafted a targeting scheme to single out applicants based on their political beliefs. Based on these findings, in April 2014, the Committee referred then-Director of Exempt Organizations, Lois Lerner, to the Department of Justice for criminal prosecution.

Although the targeting scheme took place prior to Commissioner Koskinen's tenure, his subsequent handling of the investigation was shockingly inept. In February 2014, the IRS discovered that two years worth of Ms. Lerner's emails – thousands of documents vital to the Committee's investigation – had been destroyed. In April 2014, the IRS informed Treasury and the White House about the lost emails. On May 8, 2014, after years of document requests by the Committee, the IRS agreed to turn over *all* of Ms. Lerner's emails, despite knowing that it could not follow through with this promise. Weeks after this agreement was made, the IRS revealed that it could not fully comply because some of the emails were determined to be unrecoverable. The agency asserted that due to a computer crash, it lost years of Ms. Lerner's emails – a loss that the IRS withheld from Congress, for more than four months, despite the IRS's having been aware of it when making the May 2014 agreement. In April of 2014, Commissioner Koskinen had promised during a speech that his goal as IRS Commissioner was to "find problems quickly, fix them promptly, make sure they stay fixed, and be transparent about the entire process." Despite that promise of transparency, it was not until the IRS informed the Senate Finance Committee of the loss in an unrelated June 2014 letter that the Committee became aware of the loss of thousands of emails central to its investigation. When the IRS "lost" Ms. Lerner's emails and misled Congress, the agency also lost the trust of Congress and the American people.

In June 2014, the Committee held a hearing with Commissioner Koskinen in order to explore how exactly Ms. Lerner's emails were lost, and why the IRS had not only knowingly withheld that information from Congress, but in fact promised to provide the lost emails. When asked why he had not notified Congress about the email loss at the time it was discovered, Commissioner Koskinen stated that he thought the internal IRS investigation was "important," and that it was "[his] decision" to "complete the investigation" before advising Congress. When questioned about his promise to provide all of Ms. Lerner's emails, despite knowing that it would not be possible, the Commissioner stated that he "knew that, in fact [the IRS] would provide [the Committee] all of the Lois Lerner emails that [the IRS] had." In his testimony, Commissioner Koskinen stated "I don't think an apology is owed." On this, we agree with the Commissioner—the American taxpayers are not only owed a simple apology; they are also owed a fair IRS that works for the people.

In July 2014, the Committee learned that the data lost in the computer crash may have been recoverable, but that the IRS had ignored the advice of outside information technology professionals on how to navigate such a recovery. According to the Treasury Inspector General for Tax Administration, many of the tapes containing backed-up emails were destroyed despite an order in place to preserve them. Following the delayed revelation that years' worth of documents and emails had been destroyed, the Committee sent multiple letters to the Obama Administration requesting information about the destroyed emails. Ultimately, neither Ms. Lerner, nor any IRS official in the Office of Exempt Organizations, was ever held accountable for the targeting of taxpayers based on their political beliefs.

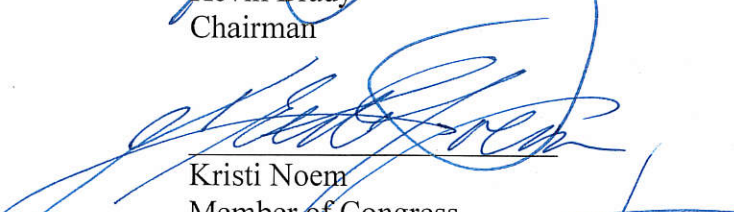

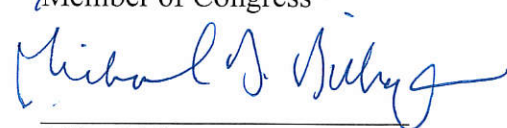

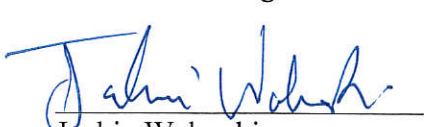
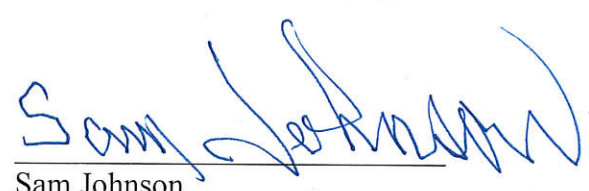
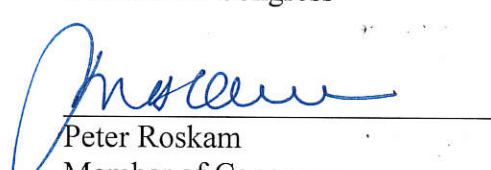
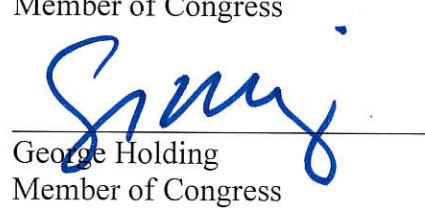

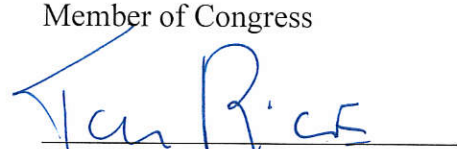
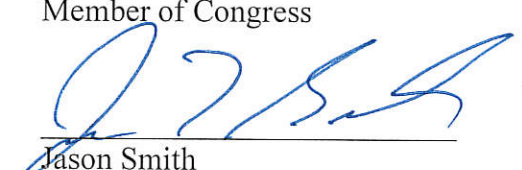
The destructive behavior continued into 2016. As recently as last year, the Committee discovered that the IRS had again destroyed documents subject to a preservation order relevant to an unrelated investigation. This provides further evidence that once again that the IRS, under the leadership of Commissioner Koskinen, refuses to be held accountable to the public. The American people lost confidence in the IRS as a result not only due to the targeting scandal itself, but also as a result of the repeated, gross mishandling of the investigation on the part of Commissioner Koskinen.

In 2015, Commissioner Koskinen informed IRS staff that due to budget cuts, the IRS would have to do "less with less." As a result, customer service for the 2015 filing season was "abysmal" with taxpayers waiting for hours to talk to an IRS employee, or worse being hung up on. The Committee investigated the poor customer service because taxpayer services was level-funded by Congress from 2014 to 2015. The Committee discovered that in fact, the IRS had cut its own taxpayer service budget by diverting funds traditionally allocated to taxpayer services towards other priorities. This contributed significantly to the IRS' inability to provide prompt customer service to taxpayers. Despite significant needs for serving taxpayers, the IRS continued to waste money and prioritized spending in other areas including implementing the Affordable Care Act, paying employees for unofficial union time, and paying bonuses to employees (including those with known misconduct issues). The American people deserve better than a Commissioner who vows to "do less" to serve the taxpayers to whom he is ultimately accountable.

It is the goal of both this Committee and your Administration to reform our outdated tax code. Our primary focus must be making the tax code simpler and fairer while providing exemplary customer service to the American people. As we work to reform the tax code and restructure the IRS, we must ensure that the agency has the tools it needs to accomplish the tasks at hand and to achieve a smooth transition. During this transition, the IRS would benefit immeasurably from new leadership and a fresh start. In order for the IRS to fully reap the benefits of new leadership and regain the trust of the American people, the Committee believes that we must have a new Commissioner appointed as soon as possible.

We look forward to working with your Administration to create a tax code that is fair and an IRS that is service-oriented.

Sincerely,


Kevin Brady
Chairman
Kristi Noem
Member of Congress
Kenny Marchant
Member of Congress
Mike Bishop
Member of Congress
David Schweikert
Member of Congress
Jackie Walorski
Member of Congress
Sam Johnson
Member of Congress
Peter Roskam
Member of Congress
George Holding
Member of Congress
Erik Paulsen
Member of Congress
Tom Rice
Member of Congress
Jason Smith
Member of Congress

Diane Black

Diane Black
Member of Congress

Lynn Jenkins

Lynn Jenkins
Member of Congress

Devin Nunes

Devin Nunes
Member of Congress